

1 SB38
2 149866-2
3 By Senators Coleman, Figures, Dunn and Smitherman
4 RFD: Finance and Taxation General Fund
5 First Read: 05-FEB-13
6 PFD: 01/09/2013

2
3
4 ENGROSSED

5
6
7 A BILL
8 TO BE ENTITLED
9 AN ACT

10
11 To amend Sections 24-9-4, 24-9-5, 24-9-6, 24-9-7,
12 24-9-8, and 40-10-132 of the Code of Alabama 1975, relating to
13 the Alabama Land Bank Authority; to expand the definition of
14 the term "agreement" to include an agreement between an
15 authority and a local authority; to define the term "local
16 authority" as an authority created by a county or municipality
17 for the purpose of transferring property to the land bank
18 authority; to allow the land bank authority to institute a
19 foreclosure action; to acquire title to property by purchase,
20 donation, exchange, or otherwise provide the procedure to
21 institute a foreclosure action; to allow the land bank to
22 submit a request to the Land Commissioner of the State of
23 Alabama for transfer of the state's interest in tax delinquent
24 properties that have been held by the state for at least five
25 years; to provide the procedure for conveyance or disposition
26 of properties or the rights or interests of properties held by
27 the land bank authority; and to add a new Section 24-9-10 to

1 Chapter 9, Title 24 of the Code of Alabama 1975, to provide
2 for the creation of local land bank authorities.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Sections 24-9-4, 24-9-5, 24-9-6, 24-9-7,
5 24-9-8, and 40-10-132 of the Code of Alabama 1975, are amended
6 to read as follows:

7 "§24-9-4.

8 "When used in the chapter, the following words shall
9 have the following meanings:

10 "(1) AGREEMENT. The intergovernmental cooperation
11 agreement entered into between an authority and a local
12 authority by the parties pursuant to this chapter.

13 "(2) AUTHORITY. The Alabama Land Bank Authority.

14 "(3) BOARD. The Alabama Land Bank Authority Board.

15 "(4) LOCAL AUTHORITY. A local land bank authority
16 created by a county or municipality as provided in Section
17 24-9-10.

18 "~~(4)~~ (5) PROPERTY. Real property, including any
19 improvements thereon.

20 "~~(5)~~ (6) TAX-DELINQUENT PROPERTY. Any property on
21 which the taxes levied and assessed by any party remain in
22 whole or in part unpaid on the date due and payable.

23 "§24-9-5.

24 "(a) There is created the Alabama Land Bank
25 Authority Board which shall govern the authority to administer
26 and enforce this chapter.

1 "(b) The board shall consist of the following
2 members:

3 "(1) Four residents of the state appointed by the
4 Governor.

5 "(2) Two representatives from nonprofit
6 organizations engaged in low-income housing appointed by the
7 Governor.

8 "(3) The Lieutenant Governor or his or her designee.

9 "(4) The Speaker of the House of Representatives or
10 his or her designee.

11 "(5) The Chair of the Senate Finance and Taxation,
12 General Fund Committee or his or her designee.

13 "(6) The Chair of the House Government
14 Appropriations Committee or his or her designee.

15 "(7) The State Revenue Commissioner or his or her
16 designee.

17 "(8) The Superintendent of the State Banking
18 Department or his or her designee.

19 "(9) The Director of the Alabama Department of
20 Economic and Community Affairs or his or her designee.

21 "(10) The Director of the Alabama Development Office
22 or his or her designee.

23 "(11) The State Finance Director or his or her
24 designee.

25 "(12) The Chair of the Alabama Housing Finance
26 Authority or his or her designee.

1 "(c) The members of the board shall serve four year
2 terms. In appointing the initial members of the board under
3 subdivision (1) of subsection (b), the Governor shall
4 designate two to serve four years, one to serve three years,
5 and one to serve two years.

6 "(d) Members of the board shall receive
7 reimbursement for expenses incurred in the performance of
8 their duties but no other compensation.

9 "(e) The board may employ the necessary personnel
10 for the performance of its functions and fix their
11 compensation.

12 "(f) The board shall elect from its membership a
13 chair, vice chair, and secretary-treasurer. The board shall
14 adopt rules to govern its proceedings. A majority of the
15 membership of the board shall constitute a quorum for all
16 meetings. Approval by a majority of the membership shall be
17 necessary for any action to be taken by the authority. All
18 meetings shall be open to the public, except as otherwise
19 permitted by the Alabama Open Meetings Act, and a written
20 record shall be maintained of all meetings.

21 "(g) The membership of the board shall be inclusive
22 and reflect the racial, gender, geographic, urban/rural, and
23 economic diversity of the state.

24 "(h) The board, when acting in its official
25 capacity, its members, and the authority shall be immune from
26 civil liability against the claims of any individual or other
27 entity of any nature whatsoever arising out of its ownership

1 or administration of properties or related to its decisions or
2 actions, which decisions or actions were made in good faith,
3 without malice, and predicated upon information which was then
4 available to the board.

5 "(i) The authority shall be a public body corporate
6 and politic with the power to accept and issue deeds in its
7 name, including, without limitation, the acceptance of real
8 property in accordance with this chapter, and to institute
9 quiet title,~~quia timet~~, actions ~~and~~ as provided in Section
10 24-9-8, and shall have any other powers necessary and
11 incidental to carry out the powers and the purpose granted by
12 this chapter.

13 "(j) In addition to the tax-delinquent property
14 acquired by the authority as provided herein, the authority
15 may acquire, by purchase, donation, exchange, or other
16 publicly owned property from local governments, including that
17 which was acquired years earlier as a result of foreclosure
18 proceedings of that property, or property that has become
19 surplus. The authority may also acquire property through
20 voluntary donations and transfers from private owners and may
21 acquire by purchase or lease on the open market property from
22 a private owner to complete an assemblage of property for
23 redevelopment.

24 "§24-9-6.

25 ~~"(a) In the event that the local governing body,~~
26 ~~city, or county elects to participate in the program under~~
27 ~~this chapter by entering into an intergovernmental cooperation~~

1 ~~agreement with the authority, the authority shall hold in its~~
2 ~~name any tax delinquent properties within the territorial~~
3 ~~jurisdiction of the local governing body which have been sold~~
4 ~~to the state upon expiration of a five-year period from the~~
5 ~~date of the sale of the property for delinquent taxes, at~~
6 ~~which time a tax deed conveying the state's interest in the~~
7 ~~property shall be issued to the authority by the Alabama~~
8 ~~Department of Revenue. The governing body of the municipality~~
9 ~~within which the delinquent properties are located can~~
10 ~~reclaim, or in the event the property is not within the~~
11 ~~corporate limits of any municipality, the county can reclaim~~
12 ~~the tax delinquent properties held by the authority in its~~
13 ~~name, at any time, in which event the authority shall convey~~
14 ~~title to the municipality or county. Neither the authority nor~~
15 ~~any local government shall be required to pay the amount~~
16 ~~deemed to have been bid to cover delinquent taxes or any other~~
17 ~~amount. The authority may, as such times as it deems to be~~
18 ~~appropriate, submit a written request to the Land Commissioner~~
19 ~~of the Alabama Department of Revenue for the transfer of the~~
20 ~~state's interest in certain tax delinquent properties to the~~
21 ~~authority. Upon receipt of such request, the Land Commissioner~~
22 ~~shall issue a tax deed conveying the state's interest in the~~
23 ~~property to the authority. The authority shall not be required~~
24 ~~to pay the amount deemed to have been bid to cover delinquent~~
25 ~~taxes or any other amount in order to obtain the tax deed.~~

26 ~~"(b) Eligible delinquent property shall be limited~~
27 ~~to parcels with at least five years of tax delinquency.~~

1 Delinquent property which may be transferred by the Land
2 Commissioner to the authority shall be limited to parcels
3 which have been sold to the state pursuant to Chapter 10 of
4 Title 40 for at least five years.

5 ~~"(c) To be eligible to purchase tax delinquent~~
6 ~~properties from the authority, purchasers must, within two~~
7 ~~years from the date of the transfer deed, redevelop or sell or~~
8 ~~donate the property to another entity for redevelopment;~~
9 ~~otherwise, the property will revert to the authority. The deed~~
10 ~~from the authority to the purchaser shall contain such~~
11 ~~reversionary clause.~~

12 ~~"(d) (c)~~ The authority shall administer tax
13 delinquent properties acquired by it as follows:

14 "(1) All tax delinquent property acquired by the
15 authority shall be inventoried and the inventory shall be
16 maintained as a public record.

17 ~~"(2) The authority shall organize and classify such~~
18 ~~properties on the basis of suitability for use.~~

19 ~~"(3) (2)~~ The authority shall have the power to
20 manage, maintain, protect, rent, lease, repair, insure, alter,
21 sell, trade, exchange, or otherwise dispose of any tax
22 delinquent property on terms and conditions determined in the
23 sole discretion of the authority.

24 "(d) Nothing contained in the act adding this
25 amendatory language shall be construed to grant any power of
26 eminent domain to the authority or any local authority.

27 "§24-9-7.

1 ~~"(a) When a tax delinquent property is acquired by~~
2 ~~the authority, the authority shall have the power to repeal~~
3 ~~and rescind all delinquent state, county, and city taxes,~~
4 ~~including school district taxes, at the time it sells or~~
5 ~~otherwise disposes of such property; provided, however, that,~~
6 ~~with respect to school district taxes, the authority shall~~
7 ~~first obtain the consent of the board of education governing~~
8 ~~the school district in which the property is located. In~~
9 ~~determining whether or not to repeal and rescind delinquent~~
10 ~~taxes, the authority shall consider the public benefit to be~~
11 ~~gained by tax forgiveness with primary consideration given to~~
12 ~~purchasers who intend to build or rehabilitate low-income~~
13 ~~housing. The authority shall adopt rules and regulations for~~
14 ~~the disposition of property in which the authority holds a~~
15 ~~legal interest, which rules and regulations shall address the~~
16 ~~conditions set forth in this section.~~

17 ~~"(b) Prior to the sale of a tax delinquent property,~~
18 ~~the authority shall provide notice to the political~~
19 ~~subdivision in which the delinquent property is located, and~~
20 ~~if a rezoning or reclassification will be required for~~
21 ~~redevelopment for the development to be consistent with the~~
22 ~~planning and zoning of the political subdivision. The~~
23 ~~authority may manage, maintain, protect, rent, repair, insure,~~
24 ~~alter, convey, sell, transfer, exchange, lease as lessor, or~~
25 ~~otherwise dispose of property or rights or interests in~~
26 ~~property in which the authority holds a legal interest to any~~
27 ~~public or private person for value determined by the authority~~

1 on terms and conditions, and in a manner and for an amount of
2 consideration the authority considers proper, fair, and
3 valuable, including for no monetary consideration. The
4 transfer and use of property under this section and the
5 exercise by the authority of powers and duties under this act
6 shall be considered a necessary public purpose and for the
7 benefit of the public.

8 "(c) Before the authority may sell, lease, exchange,
9 trade, or otherwise dispose of any property, it shall either:

10 "(1) Establish a purchase price and conditions for
11 sale purposes.

12 "(2) Establish a price and conditions for rent or
13 lease purposes.

14 "(3) Establish the conditions for trade, exchange,
15 or other disposal of the property.

16 "The conditions made pursuant to this subsection may
17 include a requirement that the transferee must provide a
18 development plan or execute a development agreement with the
19 authority specifying the transferee's commitments regarding
20 the development of the property and the time frame within
21 which the development must occur, the range of permitted uses
22 for the property, and any restrictions on its subsequent
23 resale or transfer.

24 "(d) The disposition of property by the authority
25 shall not be governed by any laws or regulations otherwise
26 applicable to the disposition of property by a state or local
27 agency.

1 "(e) No property shall be sold, traded, exchanged,
2 or otherwise disposed by the authority to any entity for
3 investment purposes only and with no intent to use the
4 property other than to transfer the property at a future date
5 for monetary gain.

6 "(f) The authority shall not sell, trade, exchange,
7 or otherwise dispose of any property held by the authority to
8 any party who had an interest in the property at the time it
9 was tax delinquent or to any party who transferred the party's
10 interest in the property to the authority by sale, trade,
11 exchange, or otherwise, unless the person pays all the taxes,
12 interest, municipal liens, penalties, fees, and any other
13 charges due and owing under Chapter 10 of Title 40, including
14 the amount to the Land Commissioner had the property not been
15 transferred to the authority.

16 ~~"(c)~~ (g) At the time that the authority sells or
17 otherwise disposes of tax delinquent property as part of its
18 land bank program, the proceeds of the sale shall be
19 distributed equally as follows:

20 "(1) One third to the operations of the authority.

21 "(2) One third to the recovery of authority
22 expenses.

23 "(3) One third to the recipients of ad valorem taxes
24 within the jurisdiction of the tax delinquent property,
25 including the appropriate school districts, in proportion to
26 and to the extent of their respective tax bills and costs.

1 ~~"(d)~~ (h) The authority shall have full discretion in
2 determining the sale price of the property. ~~The agreement of~~
3 ~~the parties shall provide for a distribution of property that~~
4 ~~favours neighborhood nonprofit entities obtaining the land for~~
5 ~~low-income housing and, secondarily, other entities for the~~
6 ~~development of new industry, new commercial and economic~~
7 ~~development, and other productive uses, as well as those~~
8 ~~intending to produce low-income or moderate-income housing. No~~
9 purchaser from the land bank shall be responsible for the
10 proper disposition of the proceeds paid to the land bank for
11 the purchase of property.

12 ~~"(e) The expenses of the authority shall be limited~~
13 ~~to the amount of funds generated by the authority from the~~
14 ~~sale or disposition of property, or from grants or other gifts~~
15 ~~and donations received.~~

16 ~~"(f) Tax delinquent property may not be held by the~~
17 ~~authority for a period of longer than 10 years. At the~~
18 ~~expiration of 10 years, title shall revert to and the~~
19 ~~authority shall convey the property to the municipality in~~
20 ~~which such property is located, or if in no municipality, then~~
21 ~~to the county in which the property is located. If the~~
22 ~~municipality or county rejects the reversion, the tax~~
23 ~~delinquent property may be held by the authority beyond the~~
24 ~~10-year period.~~

25 "§24-9-8.

26 ~~"Notwithstanding any other law to the contrary, the~~
27 ~~authority may extinguish or foreclose any right of redemption~~

1 ~~to any state or local property tax lien and any other local~~
2 ~~governmental lien on the property conveyed to the authority~~
3 ~~pursuant to a tax sale, which right of redemption may exist~~
4 ~~beyond three years from the date of the sale of the property~~
5 ~~for taxes, in the following manner:~~

6 ~~"(1) The record title to the property shall be~~
7 ~~examined and a certificate of title shall be prepared for the~~
8 ~~benefit of the authority.~~

9 ~~"(2) The authority shall serve the prior owner whose~~
10 ~~interest was foreclosed for delinquent taxes or otherwise and~~
11 ~~all persons having record title or interest in or lien upon~~
12 ~~the property with a notice of foreclosure and the right to~~
13 ~~redeem. Such service shall be attempted by personal service,~~
14 ~~certified mail, or by publishing the notice of foreclosure in~~
15 ~~a newspaper published in the county for three consecutive~~
16 ~~weeks; provided, if service is perfected by any of these~~
17 ~~methods, such service will be sufficient to fulfill the~~
18 ~~extinguishment or foreclosure proceedings.~~

19 ~~"(3) In the event persons entitled to service are~~
20 ~~located outside the county, they may be served by certified~~
21 ~~mail.~~

22 ~~"(4) In the event the sheriff is unable to perfect~~
23 ~~service or certified mail attempts are returned unclaimed, the~~
24 ~~authority shall conduct a search for the person with an~~
25 ~~interest in the property conveyed to the authority, which~~
26 ~~shall, at a minimum, include the following:~~

1 ~~"a. An examination of the addresses given on the~~
2 ~~face of the instrument vesting interest or the addresses given~~
3 ~~to the clerk of the probate court by the transfer tax~~
4 ~~declaration form. The clerk of the circuit court and the tax~~
5 ~~official charged with assessing the property are required to~~
6 ~~share information contained in the transfer tax declaration~~
7 ~~form with one another in a timely manner.~~

8 ~~"b. A search of the current telephone directory for~~
9 ~~the municipality and the county in which the property is~~
10 ~~located.~~

11 ~~"c. A letter of inquiry to the person who sold the~~
12 ~~property to the owner whose interest was sold in the tax sale~~
13 ~~at the address shown in the transfer tax declaration form or~~
14 ~~in the telephone directory.~~

15 ~~"d. A letter of inquiry to the attorney handling the~~
16 ~~closing prior to the tax sale if provided on the deed forms.~~

17 ~~"e. A sign being no less than four feet by four feet~~
18 ~~shall be erected on the property and maintained by the~~
19 ~~authority for a minimum of 30 days reading as follows:~~

20 ~~"THIS PROPERTY HAS BEEN CONVEYED TO THE ALABAMA~~
21 ~~LAND BANK AUTHORITY BY VIRTUE OF A SALE FOR UNPAID TAXES.~~
22 ~~PERSONS WITH INFORMATION REGARDING THE PRIOR OWNER OF THE~~
23 ~~PROPERTY ARE REQUESTED TO CALL _____."~~

24 ~~"f. If the authority has made the search required by~~
25 ~~this subdivision and is unable to locate those persons~~
26 ~~required to be served under subdivision (2), having located~~
27 ~~additional addresses of those persons through such search,~~

1 ~~attempted without success to serve those persons in either~~
2 ~~manner provided by subdivision (2) or (3), the authority shall~~
3 ~~make a written summary of the attempts made to serve the~~
4 ~~notice, in recordable form, and may authorize the foreclosure~~
5 ~~of the redemption rights of record.~~

6 "(a) The authority may initiate a quiet title action
7 under this section to quiet title to real property held by the
8 authority or interests in tax delinquent property held by the
9 authority by recording with the office of the judge of probate
10 in the county in which the property subject to quiet title
11 action is located a notice of pending quiet title action. The
12 notice shall include the name of the taxpayer whose interest
13 was affected by the tax sale, the name of any other party as
14 revealed by a search and examination of the title to the
15 property who may claim an interest in the property, a legal
16 description of the property, the street address of the
17 property if available, the name, address, and telephone number
18 of the authority, a statement that the property is subject to
19 the quite title proceedings under this act, and a statement
20 that any legal interests in the property may be extinguished
21 by a circuit court order vesting title to the property in the
22 authority. Notwithstanding anything in this chapter to the
23 contrary, no quiet title action and nothing in this chapter
24 shall affect any right, title, or interest, whether recorded
25 or unrecorded, in the subject property which was held at the
26 time of the tax sale by any person or entity engaged in the

1 generation, transmission, or distribution of electric power,
2 natural gas, or telecommunications.

3 "(b) After the notice required under subsection (a)
4 has been recorded, the record title to the property shall be
5 examined and an opinion of title rendered by an attorney at
6 law, who is licensed to practice law in this state, or a
7 certificate of title shall be prepared by a Title Agent or
8 Title Insurer duly licensed under the Alabama Title Act as set
9 out in Section 27-25-1, et seq., for the benefit of the
10 authority in order to identify all owners of an interest in
11 the property.

12 "(c) Once the authority has identified the owners of
13 interest in the property, the authority shall file a single
14 petition with the clerk of the circuit court for the judicial
15 district in which the property subject to foreclosure under
16 this section is located listing all property subject to
17 foreclosure by the authority and for which the authority seeks
18 to quiet title. No such action shall be subject to the payment
19 of filing fees. The list of properties shall include a legal
20 description of, a tax parcel identification number for, and
21 the street address of each parcel or property. The petition
22 shall seek a judgment in favor of the authority against each
23 property listed and shall include a date, within 90 days, on
24 which the authority requests a hearing on the petition. The
25 petition shall request that a judgment be entered vesting
26 absolute title in the authority, without right of redemption
27 for each parcel of property listed, as provided in this

1 section. At any time during the pendency of this action, the
2 authority may file a motion to release or dismiss a certain
3 parcel or parcels of land from said petition, which said
4 release will not affect the remaining parcels of land subject
5 to the petition.

6 "(d) The case shall be docketed in the circuit court
7 by the clerk, and shall be a preferred case therein. The
8 circuit court in which a petition is filed under subsection
9 (c) shall immediately set the date, time, and place for a
10 hearing on the petition for quiet title. In no event may the
11 clerk schedule the hearing later than 90 days after the filing
12 of a petition by the authority under subsection (c). The
13 court, on the request of a party or as needed to allow
14 completion of service of process on all interested persons,
15 and to allow those persons 30 days after service of process to
16 file an answer or other responsive pleadings to the petition,
17 may extend the 90-day period for good cause shown.

18 "(e) The authority shall serve all persons having
19 record title or interest in or lien upon the property with a
20 notice of the hearing on the petition to quiet title. Such
21 service shall be attempted by personal service and by
22 certified mail; provided if service is perfected by either
23 method, the service will be sufficient to provide service of
24 process upon all persons having record title or interest in or
25 lien upon the property. If the persons entitled to service are
26 located outside the county, they may be served by certified
27 mail.

1 "(f) The notice required under subdivision (e) shall
2 include:

3 "(1) The date on which the authority recorded, under
4 subsection (a), the notice of the pending quiet title and
5 foreclosure action.

6 "(2) A statement that a person with a property
7 interest in the property may lose such interest, if any, as a
8 result of the quiet title and foreclosure hearing.

9 "(3) A legal description, tax parcel identification
10 number of the property, and the street address of the
11 property.

12 "(4) The date and time of the hearing on the
13 petition for quiet title and a statement that the judgment of
14 the court may result in title to the property vesting in the
15 authority.

16 "(5) An explanation of any rights of redemption and
17 notice that the judgment of the court may extinguish any
18 ownership interest in or right to redeem the property.

19 "(6) The name, address, and telephone number of the
20 authority.

21 "(g) In the event the sheriff is unable to perfect
22 service or certified mail attempts are returned unclaimed, the
23 authority shall conduct a search for the person with an
24 interest in the property conveyed to the authority.

25 "(1) The search, at a minimum, shall include the
26 following:

1 "a. An examination of the addresses given on the
2 face of the instrument vesting interest or the addresses given
3 to the clerk of the probate court by the transfer declaration
4 form.

5 "b. A search of the current telephone directory for
6 the municipality and the county in which the property is
7 located.

8 "c. A letter of inquiry to the person who sold the
9 property to the owner whose interest was sold in the tax sale
10 at the address shown in the transfer tax declaration or in the
11 telephone directory.

12 "d. A letter of inquiry to the attorney handling the
13 closing prior to the tax sale if such information is provided
14 on the deed forms.

15 "(2) The search shall, at a minimum, include the
16 following:

17 "a. An examination of the addresses given on the
18 face of the instrument vesting interest or the addresses given
19 to the clerk of the probate court by the transfer declaration
20 form.

21 "b. A sign being no less than four feet by four feet
22 shall be erected on the property and maintained by the
23 authority for a minimum of 30 days reading as follows:

24 "THIS PROPERTY HAS BEEN CONVEYED TO THE _____
25 LAND BANK AUTHORITY AND IS SUBJECT TO A QUIET TITLE ACTION.
26 PERSONS WITH INFORMATION REGARDING THE PRIOR OWNERSHIP OF OR

1 INTEREST IN THE PROPERTY ARE REQUESTED TO CONTACT THE LAND
2 BANK AUTHORITY AT _____."

3 "Any additional parties who are identified as having
4 an interest in the property shall be provided notice in
5 accordance with this section.

6 "(h) If the interested party is an individual, the
7 authority shall examine voter registration lists, available
8 municipal archives for records of deaths, and the probate
9 court records of estates opened in the county in which the
10 property is located.

11 "(i) If the interested party is a business entity,
12 the authority shall search the records of the Secretary of
13 State for the name and address of a registered agent.

14 "(j) If an interested party appears at the hearing
15 and asserts a right to redeem the property, that party may
16 redeem in accordance with Chapter 10 of Title 40.

17 "(k) (1) If the authority has made the search as
18 required by this subdivision and been unable to locate those
19 persons required to be served under subsection (e) of this
20 section, having located additional addresses of those persons
21 through such search, attempted without success to serve those
22 persons in either manner provided by subsection (e) of this
23 section, the authority shall provide notice by publication.
24 Prior to the hearing, a notice shall be published once each
25 week for 3 successive weeks in a newspaper of general
26 circulation in the county in which the property is located. If
27 no paper is published in that county, publication shall be

1 made in a newspaper of general circulation in an adjoining
2 county. This publication shall substitute for notice under
3 this subsection or subsection (g). The published notice shall
4 include the information required in subsection (f). Should the
5 identify of some or all of the persons who may have an
6 interest in the property be unknown, or should such persons be
7 infants or persons of unsound mind, the court shall appoint a
8 guardian ad litem to represent and defend the interests of
9 such unknown, infant, or incompetent parties in the action.

10 "(2) A person claiming an interest in a parcel of
11 property set forth in the quiet title action who desires to
12 contest that petition shall file an answer containing written
13 objections with the clerk of the circuit court and serve those
14 objections on the authority before the date of the hearing.
15 The circuit court may appoint and utilize as the court
16 considers necessary a special master for assistance with the
17 resolution of any objections to the quiet title action or
18 questions regarding the title to property subject thereto.
19 Within 30 days following the hearing, the circuit court shall
20 enter judgment on a petition to quiet title. The circuit
21 court's judgment shall specify all of the following:

22 "a. The legal description, tax parcel identification
23 number, and, if known, the street address of the subject
24 property.

25 "b. That fee simple title to the property by the
26 judgment is vested absolutely in the authority, except as

1 otherwise provided in subdivision (5), without any further
2 rights of redemption.

3 "c. That all liens against the property, including
4 any lien for unpaid taxes or special assessments, are
5 extinguished.

6 "d. That, except as otherwise provided in paragraph
7 e. the authority has good and marketable fee simple title to
8 the property.

9 "e. That all existing recorded and unrecorded
10 interests in the property are extinguished, except a recorded
11 easement or right-of-way, restrictive covenant, prior
12 reservation or severance of all mineral, mining, oil and gas
13 rights within and underlying the property, such state of facts
14 as shown on recorded plats, or restrictions or covenants
15 imposed under the Alabama Land Recycling and Economic
16 Development Act or any other environmental law in effect in
17 the state, severed oil, gas, and mineral rights and mineral
18 leases and agreements are excepted from the act adding this
19 amendatory language and any quiet title action authorized
20 herein.

21 "f. A finding that all persons entitled to notice
22 and an opportunity to be heard have been provided that notice
23 and opportunity and that the authority provided notice to all
24 interested parties or that the authority complied with the
25 notice procedures in subdivision (1), which compliance shall
26 create a rebuttable presumption that all interested parties
27 received notice and an opportunity to be heard.

1 "(m) Except as otherwise provided in paragraph e. of
2 subsection (k), fee simple title to property set forth in a
3 petition for quiet title filed under subsection (c) shall vest
4 absolutely in the authority upon the effective date of the
5 judgment by the circuit court and the authority shall have
6 absolute title to the property. The authority's title is not
7 subject to any recorded or unrecorded lien, except as provided
8 in paragraph e. of subdivision (2) and shall not be stayed
9 except as provided in subsection (l). A judgment entered under
10 this section is a final order with respect to the property
11 affected by the judgment.

12 "(n) The authority or a person claiming to have an
13 interest in property under this section may within 42 days
14 following the effective date of the judgment under subsection
15 (h) appeal the circuit court's judgment quieting title to the
16 property to the Court of Appeals. An appeal under this
17 subsection is limited to the record of the proceedings in the
18 circuit court under this section. In the event of a timely
19 appeal, the circuit court's judgment quieting title to the
20 property shall be stayed until the Court of Appeals has
21 reversed, modified, or affirmed that judgment. If an appeal
22 under this subsection stays the circuit court's judgment, the
23 circuit court's judgment is stayed only as to the property
24 that is the subject of that appeal and the circuit court's
25 judgment quieting title to other property that is not the
26 subject of that appeal is not stayed.

1 "(o) The authority shall record an order of judgment
2 for each parcel of property in the office of the judge of
3 probate for the county in which the subject property is
4 located.

5 "(p) Notwithstanding the requirements for adverse
6 possession under Section 40-10-82, or any other law, the
7 authority may initiate a quiet title action under this section
8 at any time after acquiring an interest in the property which
9 is subject to the action. A final decree of an action properly
10 filed in compliance with this section shall extinguish all
11 outstanding rights of redemption.

12 "§40-10-132.

13 "(a) It shall be the duty of the Land Commissioner
14 to cause to be prepared a suitable book, in which shall be
15 entered a description, as accurate as can be obtained, of all
16 the lands which have been bid in by the state, with the amount
17 of state and county taxes due thereon and the date when such
18 lands were bid in; and, when three years shall have elapsed
19 from the date of sale, such portions of lands as have not been
20 redeemed shall be subject to sale by the state; and the Land
21 Commissioner, with the approval of the Governor, may do any of
22 the following:

23 "(1) Sell the same at private sale to any purchaser,
24 who may pay therefor in cash to the Treasurer such sum of
25 money as the Land Commissioner may ascertain to be sufficient
26 to cover and satisfy all claims of the state and county, which
27 sum shall not be less than the amount of money for which the

1 lands were bid in by the state, with interest thereon at the
2 rate of 12 percent per annum from the date of sale, together
3 with the amount of all taxes due on said lands since date of
4 sale, with interest thereon at the rate of 12 percent per
5 annum from the maturity of such taxes.

6 "(2) If the lands are within a municipal boundary,
7 sell the same to the municipality or such other nonprofit or
8 governmental entity as the municipality may designate, at the
9 best price offered, irrespective of the amount of taxes and
10 interest due.

11 "(3) If the lands are not within a municipal
12 boundary, sell the same to the county in which the lands are
13 situated or such other entity as the county may designate, at
14 the best price offered, irrespective of the amount of taxes
15 and interest due.

16 "(4) Sell the same to such other entity created
17 jointly by the municipality and the county in which the lands
18 are situated as much as may be authorized by state law, at the
19 best price offered, irrespective of the amount of taxes and
20 interest due.

21 "(5) Sell the same to a land bank authority created
22 as authorized by Chapter 9, Title 24, for no consideration,
23 irrespective of the amount of taxes and interest due.

24 "(b) Notwithstanding the foregoing, if the lands
25 have not been redeemed or sold by the state within five years
26 from the date of sale, such lands may be sold by the Land
27 Commissioner as provided in Section 40-10-134."

1 Section 2. Section 24-9-10 is added to Chapter 9,
2 Title 24 of the Code of Alabama 1975, to read as follows:

3 §24-9-10.

4 (a) If the number of tax delinquent properties in a
5 municipality exceeds 1,000, then the governing body of a
6 municipality may adopt a resolution declaring that it is wise,
7 expedient, and necessary that a local authority be formed by
8 the municipality by the filing for record of a certificate of
9 incorporation in accordance with the provisions of subsection
10 (i).

11 (b) If the number of tax delinquent properties in a
12 municipality exceeds 1,000, then the governing body of a
13 county may adopt a resolution declaring that it is wise,
14 expedient, and necessary that a local authority be formed by
15 the county by the filing for record of a certificate of
16 incorporation in accordance with the provisions of subsection
17 (i).

18 (c) Upon the adoption of the authorizing resolution,
19 the municipality or county, as the case may be, shall proceed
20 to incorporate the local authority by filing for record in the
21 office of the judge of probate of the county a certificate of
22 incorporation which shall comply in form and substance with
23 the requirements of this section and which shall be in the
24 form and executed in the manner herein provided. The
25 certificate of incorporation of the local authority shall
26 state all of the following:

1 (1) The name of the local unit of government forming
2 the local authority.

3 (2) The name of the local authority.

4 (3) The size of the initial governing body of the
5 local authority, which shall be composed of an odd number of
6 members, but not less than five.

7 (4) The qualifications, method of selection, and
8 terms of office of the initial board members.

9 (5) A method for the adoption of bylaws by the
10 governing body of the local authority.

11 (6) A method for the distribution of proceeds from
12 the activities of the local authority.

13 (7) A method for the dissolution of the local
14 authority.

15 (8) Any other matters considered advisable by the
16 local unit of government, consistent with this act.

17 (d) Following incorporation, a local authority may
18 enter into an intergovernmental agreement with the authority
19 providing for the transfer to the local authority of any
20 property held by the authority which is located within the
21 corporate limits of the municipality or the boundary of the
22 county which created the land bank.

23 (e) A local authority shall have all of the powers
24 of the authority as set forth in this chapter.

25 (f) A local unit of government and any agency or
26 department of such local unit of government may do one or more
27 of the following:

1 (1) Anything necessary or convenient to aid a local
2 authority in fulfilling its purposes under this act.

3 (2) Lend, grant, transfer, appropriate, or
4 contribute funds to a local authority in furtherance of its
5 purposes.

6 (3) Lend, grant, transfer, or convey funds to a
7 local authority that are received from the federal government
8 or this state or from any nongovernmental entity in aid of the
9 purposes of this act.

10 Section 3. This act shall become effective on the
11 first day of the third month following its passage and
12 approval by the Governor, or its otherwise becoming law.

1
2
3 Senate

4 Read for the first time and referred to the Senate
5 committee on Finance and Taxation General Fund ... 05-FEB-13
6
7 Read for the second time and placed on the calen-
8 dar..... 06-FEB-13
9
10 Read for the third time and passed as amended 09-APR-13

11 Yeas 22
12 Nays 6

13
14
15 Patrick Harris
16 Secretary
17